



**Construction
Industry Force
Account Council**





STATE CONTROLLER'S CONFERENCE

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Presentation by

Cathryn Hilliard

CIFAC Executive Director



Who is CIFAC?

- CIFAC is a Non-profit organization whose major supporters are AGC, UCON, Northern California District Council of Laborers and Operating Engineers Local 3
- Created in 1977 to prevent force account violations and encourage competitive bidding
- CIFAC member organizations include nearly 60,000 public works construction union workers and contractors
- CIFAC works for the good of the public works construction industry as a whole
- CIFAC monitors public agencies

What is “Force Account?”

- The use of a public agency’s own labor force or day labor
- The \$ value of labor, material and equipment is calculated to determine if a project meets or exceeds the force account limit or bid threshold in the Public Contract Code (PCC)
- If it does, the project must be bid
- More than 100 different force account limits exist in the PCC

What are Examples of Force Account Limits?

- More than 100 different force account limits in the Public Contract Code
- General Law Cities: \$5,000
- Signatory to California Uniform Construction Cost Accounting Act, then it's \$45,000 for informal bids up to \$175,000; above \$175,000 requires formal bidding
- Counties: (depends on population excludes roads and bridges) \$4,500 or \$6,500 – there is a “Road Commissioner exemption”
- School Districts: \$15,000



What is CIFAC's Mission?

- To increase public works construction job opportunities through competitive bidding
- To prevent force account violations by acting as a *resource* for both the public and private sectors.
- To enforce the Public Contract Code
- To create a level playing field
- To educate the industry, the public and public agencies



What Does CIFAC Do?

- Monitors—local and State government agencies
- Investigates—potential violations of the California Public Contract Code
- Negotiates—with the project owner (local governments) to bring them into compliance with the law
- **Initiates—complaints and requests for clarification with the California Uniform Construction Cost Accounting Commission**
- Litigates—hard core violators and creates industry standards (1” rule)
- Legislates—to clarify the Public Contract Code



What Else?

- When an agency becomes signatory to the California Uniform Public Construction Cost Accounting Act, the rules apply to new construction for all departments: public works, general services, police, fire, etc.
 - CIFAC can be used as a resource by auditors, controllers and all departments
 - Staff at CIFAC welcomes your comments, suggestions and looks forward to working with you. **1-800-755-3354 On the web and Facebook at cifac.org**
- chilliard@cifac.org

CIFAC Field Representatives Territory Map



Sally Riley

Northern Region Senior Field Rep
530-549-3805



Bay Area Region Field Rep 800-
755-3354



Michelle Tucker

Central Region Field Rep
209-532-2942



Shari Pence

Southern Region Field Rep
951-214-9196

